TITLE 312 NATURAL RESOURCES COMMISSION

Economic Impact Statement

LSA Document #11-740

<u>IC 4-22-2.1-5</u> Statement Concerning Rules Affecting Small Businesses Estimated Number of Small Businesses Subject to this Rule:

Small businesses subject to this rule would include nursery growers, nursery dealers, beekeepers, pet stores, firewood producers, sawmills, and timber buyer and their bonding companies. The following table gives an estimate of the total number of each type of business that will be subject to this rule.

Type of Business	Number in Indiana
Nursery Growers	364
Nursery Dealers	3,059
Beekeepers	100
Pet Stores (selling aquatic plants)	1,000
Firewood Producers	312
Sawmills (primary and secondary)	1,288
Timber Buyer and Timber Bonder	1,200
Total	7,323

All small businesses in Indiana where agricultural, horticultural, or sylvan products are being grown, shipped, sold, or stored are subject to this rule change. Under 312 IAC 18-2-2, the Division of Entomology and Plant Pathology may inspect any site in Indiana suspected of being infested with a pest or pathogen. All small businesses before this rule change and after the proposed rule change are subject to the proposed rule change. Thus, there is no difference in the number of small businesses affected by the proposed rule change.

Presently there are 364 nursery growers licensed in the state of Indiana. Of those, less than five currently utilize preplant soil fumigation as a method of treatment for forest seedling beds to meet quarantine requirements and ensure pest and pathogen free seedlings.

Estimated Average Annual Reporting, Record Keeping, and Other Administrative Costs Small Businesses Will Incur for Compliance:

Businesses subject to this rule currently have no annual reporting, record keeping, or administrative costs, and the change in this rule will not require any changes to the current method of conducting business.

Businesses subject to 312 IAC 18-2-2 may or may not have annual reporting, record keeping, or administrative costs. They only have annual reporting, record keeping, or administrative costs if they are currently in a quarantine area. The rule change will not alter the annual reporting, record keeping, or administrative costs. The rule change will not create or amend any current quarantine (312 IAC 18-3-12; 312 IAC 18-3-14; 312 IAC 18-3-18; 312 IAC 18-3-20; 312 IAC 18-3-21). Thus, change in this rule will not require any changes to the current method of conducting business.

Businesses currently subject to this rule are required to keep detailed records of fumigants, restricted use pesticides, and other chemicals being used on their property. These rules are enforced by the Office of the Indiana State Chemist. Adoption of this rule will not place any further impact on the businesses already conducting these measures.

Estimated Total Annual Economic Impact on Small Businesses to Comply:

There will be no economic impact on small businesses to comply with the proposed rules as the proposed rules do not require these businesses to change their current daily practices of conducting business.

Justification Statement of Requirement or Cost:

There are no requirements or costs imposed on a small business by <u>312 IAC 18-1-13</u> and <u>312 IAC 18-2-2</u>. These two proposed rules do not add any requirement or cost to a small business that is not already addressed under <u>IC 14-24</u> and <u>312 IAC 18-2</u>. All businesses will continue doing business as they have been after the adoption of these rules.

The proposed rule change for 312 IAC 18-2-2 supports the requirement under IC 14-24-5-3 to certify nursery stock apparently pest and pathogen free. It also supports the requirement to ship nursery stock out of Indiana pest and pathogen free to meet the requirements of the destination state. The requirement and cost with 312 IAC 18-3-22 is the requirement that already exists from the Office of the Indiana State Chemist, involved with record keeping and recording the use of restricted pesticides (IC 15-16-5-59). The proposed rule change does not create any additional or new requirements or costs.

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Regulatory Flexibility Analysis of Alternative Methods:

There is no economic impact expected or proposed with the adoption of these three rules. There is no compliance or reporting requirement. There is no design or operational standards imposed on the regulated entities. Therefore in the case of the three proposed rules, alternative methods are not warranted.

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